GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:408
ANSWERED ON:03.02.2017
Assessment of Demonetization
Dhotre Shri Sanjay Shamrao;Reddy Shri Y. S. Avinash;Reddy,Kotha Prabhakar;Shewale Shri Rahul Ramesh;Singh Shri Dushyant;Singh Shri Satya Pal

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.408
TO BE ANSWERED ON 3RD FEBRUARY 2017 / MAGHA 14, 1938 (SAKA)

ASSESSMENT OF DEMONETIZATION
408. SHRI SANJAY DHOTRE:
SHRI RAHUL SHEWALE:
SHRI DUSHYANT SINGH:
DR. SATYAPAL SINGH:
SHRI Y.S. AVINASH REDDY:
SHRI PRABHAKAR REDDY KOTHA:

QUESTION

Will the Minister of FINANCE be pleased to state:
(a) whether the Government has assessed the success/failure of the demonetisation scheme implemented during the months of November and December, 2016, if so, the details thereof and the outcome thereon;
(b) the extent to which the Government has achieved the objectives of flushing out black money, counterfeit currency, curb terror and insurgency financing, conversion of cash based economy in to digital economy and higher tax revenue by implementing the said scheme in the country;
(c) the details of the schemes/ programmes being implemented by the Government to restore normalcy and provide relief to the cash based industries, unorganised sector, farmers, labourers and other affected/aggrieved persons along with the outcome thereon, scheme/programmewise; and
(d) the other steps taken by the Government to weed out black money inside and outside the country ?

Answer

ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)
(a) and (b) Demonetization seeks to create a new 'normal' wherein the GDP would be bigger, cleaner and real. This exercise is part of the Government's resolve to eliminate corruption, black money, counterfeit currency and terror funding.
Post demonetization, during the period 9th November 2016 to 10th January 2017, more than 1100 searches and surveys were conducted and more than 5100 notices were issued by the Income Tax Department for verification of for suspicious high value cash deposits. These actions led to seizure of valuables of more than Rs. 610 crore which includes cash of Rs. 513 crore. Seizure of cash in new currency notes was about Rs 110 crore. Further, the undisclosed income detected in these on-giving investigations till 10th January 2017 was more than Rs. 5400 crore.
(c) A scheme of exemptions, where Specified Bank Notes can be tendered, was prepared in consultation with RBI, so as to minimise the inconvenience to the public at the time of the launch of the scheme itself. The details are available on the website of RBI at https://www.rbi.org.in/scripts/bs_viewcontent.aspx?Id=3270.
(d) Under direct tax laws, the actions against black money includes collection of requisite information from various sources, conducting investigations/enquiries in appropriate cases; searches, surveys, assessment of income, levy of penalty and launching of criminal prosecution wherever applicable. The Government has taken various steps under a multi-pronged strategy in this regard. The recent major initiatives, inter-alia, include (i) constitution of the Special Investigation Team (SIT) on Black Money under Chairmanship and Vice-Chairmanship of two former Judges of Hon'ble Supreme Court; (ii) enactment of a comprehensive law − 'The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015', Amendment of the Benami Transactions (Prohibition) Act, 1988 etc.

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